

Combines Investigation Act

when phase two is introduced and when we have had a chance to work with phase one for a while. If there is any real inequity we can look at it then and see if we can deal with it.

After we have discussed a section of a bill in great detail, I hesitate to wipe out all that discussion, all the briefs and testimony and just accept an amendment of this type, holus-bolus. That makes a mockery of the hearings and the witnesses. So, Mr. Speaker, I will not support the amendment.

Mr. Stuart Leggatt (New Westminster): Mr. Speaker, I could not resist rising after hearing my good friend, the hon. member for Halton-Wentworth (Mr. Kempling), accuse us in this part of the House of somehow seeking higher prices for consumers by proposing a ban on loss leading. That is a strange kind of logic.

If you follow the practice of loss leading to its logical conclusion, the purpose is either to eliminate competition or to allocate a certain section of the market as a result of loss leading, just as in the Lestoil case that the hon. member for Nickel Belt (Mr. Rodriguez) referred to. There are many other cases of loss leading where a major corporation has such large financial resources that they can stand a loss for years and thus dominate and control the market. Once they have dominated and controlled the market, then they control the price.

This party is proposing this amendment for the purpose of lowering prices for consumers, not increasing them. The logic is perfectly clear: loss leading results, in the long run, in higher, rather than lower, prices for consumers. Let me deal a little further with another point that the hon. member for Halton-Wentworth raised. He suggested that the hon. member for Nickel Belt had not studied the bill carefully enough. I suggest he should look at the proposed amendment. It does not defend loss leading. I will read that portion of the amendment that seems appropriate:

—engages in a policy of selling products as loss leaders, that is to say, not for the purpose of making a profit on that item, but for purposes of advertising or of attracting customers to his place of business in the hope of selling them other products.

That is a little different from dumping or simply getting rid of something on which you are obviously never going to make a profit. But when it is a conspiracy against the consumer, it becomes an iniquitous practice. Consider, for example, the two oil companies, which conspire to sell gasoline as a loss leader in order to drive the small guy out of business.

● (1650)

Someone in this House should stand up for the small businessman. That is why my party supports the motion before the House. We support real competition, not the phony competition of giant corporations which has resulted in many loss leader practices in this country. I hope that the good sense and good judgment of the hon. member for Halton-Wentworth will prevail and that the House will show more good sense than it has up to now. We shall support this amendment.

The Acting Speaker (Mr. Turner (London East)): Is the House ready for the question? The question is on motion No. 10 in the name of the hon. member for Nickel

[Mr. Kempling.]

Belt (Mr. Rodriguez). All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Turner (London East)): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Turner (London East)): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Turner (London East)): Pursuant to section 11 of Standing Order 75, the recorded division on this motion stands deferred.

The House will now proceed to consider motion No. 11, in the name of the hon. member for Nickel Belt. Mr. Rodriguez, seconded by Mr. Symes, moves:

Motion No. 11.

That Bill C-2, An act to amend the Combines Investigation Act and the Bank Act and to repeal an act to amend an act to amend the Combines Investigation Act and the Criminal Code, be amended in clause 18 by

(a) striking out line 45 on page 30

(b) replacing the period (.) at line 14 on page 31 with a semi-colon (;) and

(c) adding immediately after line 14 on page 31 the following subsections:

“(e) make a representation to the public containing exaggerated price claims of a general nature, unless such claims are fully supported by evidence of a substantial nature;

(f) make a representation to the public that, either explicitly or implicitly, arouses or tends to arouse unwarranted expectations of product effectiveness;

(g) make a representation to the public containing claims for product effectiveness that are not fully supported by substantial evidence;

(h) make a representation to the public containing suggestions, either implicit or explicit, of product effectiveness in areas other than those in which the product is intended primarily to have effect;

(i) make a representation to the public that uses the word ‘new’, or any comparable word, to describe a product, unless it is a new product or one that has had a qualitative change in one or more of its active ingredients or parts, in which case the use of the word ‘new’ shall be limited to a period not exceeding six months;

(j) make a representation to the public that uses the word ‘improved’, or any comparable word, unless the change in an existing product is one that can be proven to be beneficial to the user, in which case the use of the word ‘improved’ shall be limited to a period not exceeding six months;

(k) make a representation to the public that ignores, or fails to describe fully, any undesirable side-effects that may result from the use of the product;

(l) and in all cases, products shall be sold on the basis of definable qualities and grades, where that is possible.”

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, the purpose of the amendment we are considering is to expand areas of the bill covering false advertising. Time and again my party tried to move amendments in the committee: we proposed 42 amendments to strengthen the bill and make it effective. Ours was a constructive approach. People who criticize my party say that we tend to be critical but do not offer suggestions for improvement. We have tried to improve this bill. We want it to protect consumers as they